

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7854

BILL NUMBER: HB 1686

DATE PREPARED: Jan 18, 1999

BILL AMENDED:

SUBJECT: Conservation district water program.

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FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State & Local

STATE IMPACT	FY 1999	FY 2000	FY 2001
State Revenues			
State Expenditures		20,000,000	
Net Increase (Decrease)		(20,000,000)	

Summary of Legislation: This bill establishes the Clean Water Indiana Program and the Clean Water Indiana Fund, both of which are administered by the Division of Soil Conservation of the Department of Natural Resources (DNR), subject to the direction of the Soil Conservation Board. This bill outlines educational, technical assistance, training, and cost-sharing programs supported by the program and the fund to help land occupiers and conservation programs reduce nonpoint sources of water pollution. Additional funds are available on a matching basis to a district that receives money from political subdivisions. The Division of Soil Conservation must submit an annual report to the Executive Director of the Legislative Services Agency concerning the program and the fund. This bill appropriates \$20 million to the Clean Water Indiana Fund for the purposes of this act.

Effective Date: July 1, 1999.

Explanation of State Expenditures: This bill establishes the Clean Water Indiana Fund. The fund consists of appropriations from the General Assembly and donations, grants, and money received from any other source. Money in the fund is to be spent to increase technical assistance in local conservation efforts; to assist land occupiers in complying with environmental laws; to qualify for federal matching funds for county soil survey computerization; to provide cost-sharing programs to implement conservation practices; and to provide matching grants to employ local professionals.

This proposal will result in additional administrative expenses for the DNR Division of Soil Conservation. The legislation proposes new or expanded activities that would require additional personnel to implement. The proposal contains a cost-sharing program which would require the development of protocols for distribution of the funds, the development of a tracking system, and work with individual landowners by Division employees. The bill also provides for matching grants that would be administered by the Division. Grant award protocols would also need to be developed and approved, an additional tracking system established, and Division staff would need to evaluate and process applications and disseminate grants. The Division is also required to provide an annual report on the Clean Water Indiana Program to the Legislative Services Agency each year.

The DNR will need to hire a PAT 2 level administrator and a COMOT 4 level clerical staff person to coordinate and administer the cost-sharing and matching grants programs outlined in the proposal. Personnel costs including fringe benefits for the two positions are estimated at \$66,000 annually. In addition, other DNR staff would need to devote time to implement the above as follows:

ENS4 Natural Science Manager	10%
ENS6 Natural Science Managers (3)	20%
ENS6 Natural Science Managers (3)*	15%
2WN2 Administrative Assistant	25%
1NS1 Natural Science Managers (6)	30%
1IA2 Natural Science Managers (43)	15%

*2 of these positions are contracted with Purdue University

Implementation of the grants and cost-share programs would become a priority for the Division. Existing work priorities would be reconsidered so that the programs could be implemented. The estimated value of the time committed by existing personnel, based on the anticipated percentages of their time indicated, would be approximately \$722,559 (including fringe benefits).

This bill appropriates \$20 million from the State General Fund to the Clean Water Indiana Fund for use in carrying out the purposes and programs outlined above. The expenses of administering the programs are to be paid from money in the fund. (The table above assumes that the entire amount is appropriated in the first year.)

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Local soil and water conservation districts would be able to participate in cost-sharing programs and receive grants. Districts may receive \$1 from the state for every \$1 that the district receives from a political subdivision. A district, however, may not receive more than \$10,000 annually. Local units might also be able to use money from the fund to qualify for federal matching grants for county soil survey computerization.

State Agencies Affected: Department of Natural Resources.

Local Agencies Affected: Soil and Water Conservation Districts.

Information Sources: Jim Ray, Chief, Division of Soil Conservation, DNR (317) 233-3871.